

**(136) Terms and conditions regarding running of Institute in "Education City"** - Whereas the Chandigarh Administration in Education Department has decided to establish World Class Educational Institutions and a project by the name "Education City" has been approved in institutional area, Sarangpur, U. T., Chandigarh;

And whereas, the sites for educational institutions have been planned by the Department of Architecture and the intending licensees have also been short-listed by the Education Department;

Therefore, in exercise of the powers conferred by sub-section (2) of section 1 of the Capital of Punjab (Development and Regulation) Act, 1952 as adapted by the Punjab (Reorganisation) (Chandigarh) (Adaptation of Laws on State and Concurrent Subjects) Order, 1968 and all other powers enabling him in this behalf, the Chief Administrator, Union Territory, Chandigarh is pleased to notify the area as shown in layout plan bearing Drawing No. 306, Job No. M-16, dated 27th May, 2009 as Education City in the Union Territory, Chandigarh for granting license by the Education Department, U. T., Chandigarh to various organisations to establish, manage and run the educational institutions of excellence, to which the provisions of the said Act of 1952 extends.

Further in exercise of the powers conferred under section 3 read with section 22 of the Capital of Punjab (Development and Regulation) Act, 1952, land measuring 88.29 acres (approx.) falling in the aforesaid Education City shall stand placed at the disposal of Education Department, Chandigarh Administration for granting the license of various sites earmarked in the said city on the layout plan of the area to the beneficiary organisations to enable them to establish, manage and run the Institution on the following terms and conditions:—

1. The sites shall be leased out initially for a period of 33 years on payment of license fee for the purpose and on the terms and conditions as mentioned in the Agreement of License duly approved by Department of Finance to be executed between the licensee and the Licensor (copy enclosed as Annexure-A).

2. The ownership of the land shall always remain with the Chandigarh Administration and the licensee shall have no right to alienate, it further by way of sale, transfer gift, mortgage or in any manner.

3. The possession of the exact site/plot as per zoning plan prepared by the Chief Architect to the licensee shall be handed over by the Estate Officer on the basis of an authority letter issued by the Education Secretary, Chandigarh Administration (Licensor) together with a copy of the Agreement of License so executed. The possession of the respective site/plot shall be decided by the Committee comprising Director Public Instructions(s) Project Director, Assistant Estate Officer, Deputy Town Planner and Executive Engineer nominated by the Chief Engineer, U. T., Chandigarh to any licensee as per choice of the said licensee and in case for a particular site/plot choice is given by more than one licensee, the

possession of the said site/plot shall be decided by a draw of lots to be conducted by the committee.

4. That the license fee shall be charged on the basis of exact measurement of the site/plot being the size of the plot. The actual measurement may vary from plot/ site to plot/site. The license fee so determined by the Estate Office in terms of License Agreement shall be deposited by the Licensee through the Licensor with the Estate Officer and the Estate Officer shall maintain its record.

5. In case the licensee intends to terminate the license of the site before the expiry of the license period, the licensee shall have to give 90 days clear notice under registered cover to the Licensor in writing. Similarly, the Licensor shall be competent to terminate the license of the site by giving similar advance notice. The time period given to vacate the site can be extended by Chief Administrator at his sole discretion, keeping in view the running academic session.

6. In the event of the licensee/licensor intending to terminate the license, the licensee shall be at liberty to remove the articles and the super structure on the site within a further period of 60 days and hand over the vacant possession of the site to the Estate Officer free of all encumbrances.

7. In case the licensee does not intend to remove the super structure, he can claim depreciated value of the same, which the Chandigarh Administration shall consider and pay either in lump sum to the licensee or in instalments not exceeding three, without any interest subject to availability of funds.

8. The depreciated value of the super structure shall be furnished by the licensee to the licensor with details, which shall be further verified and assessed by the Engineering Department of the Chandigarh Administration. In case of any difference of opinion, the matter shall be decided by the Finance Secretary and the decision of the Finance Secretary, Chandigarh Administration shall be final and binding on the parties.

9. The licensed site and building thereon shall further be subject to the provisions of Capital of Punjab (Development and Regulation) Act, 1952 and rules framed thereunder.

#### ANNEXURE-A DEPARTMENT OF EDUCATION Agreement of License

Whereas the Education City project has been envisioned by the Chandigarh Administration with a view to establish world class educational institutions of excellence in U. T., Chandigarh.

And whereas the Education City is a project which is both visionary and comprehensive in scope and aims at fulfilling the aims of training and educating young people in high-end areas which are needed in today's context and also keeping in mind future projections. The aim is to make available adequate, qualified and competent human resources in order to cater to the requirements of the knowledge Sector in the coming years.

And whereas the vision of the Administration in setting up the Education City is to make available human resources for the growing economy, for equipping the youth of Chandigarh and the region with the skills required in today's context. The areas which are being focussed upon in the Education City are those that are rare in terms of available talent but which are urgently required in today's context.

And whereas the Chandigarh Administration plans to provide support, assistance and low-cost, high class education to those who cannot afford to pay normal fees. The Education City would be based on the model that the economically

weaker sections and the disadvantaged would be provided with world-class education at affordable rates. Equity will be translated/realised inter alia in the form of scholarships for committed, intelligent and poor youth.

And whereas the Chandigarh Administration envisages that the Education City would be a world-class project with institutions of excellence in all areas of education, as per our future requirements. The Administration has also kept in view the fact that in today's fast changing world it is necessary that institutions should be flexible in their approach and should tie up with organisations or entities which are the end-users of the talent that they are producing.

And whereas the Chandigarh Administration after following due procedure has selected eminent organisations providing such education and having past experience of managing such institutions of excellence. And whereas the Chandigarh Administration has decided to give on license sites of land in the Education City to these organisations.

And, therefore, in furtherance of the above objectives of the Chandigarh Administration, this agreement is executed on this ..... between the President of India through Secretary Education Chandigarh Administration with postal address as 4th Floor, Deluxe Building, U. T., Secretariat, Sector-9, Chandigarh on the one part (hereinafter called the Licensor).

And

.....having its registered office at..... (hereinafter referred to as the licensee which expression shall include their successors, representatives and assignee) of the second part (hereinafter called the Licensee).

1. In this agreement, unless the context otherwise requires, the following words and expressions shall have the meaning assigned to them as under:—

- (i) 'Chief Administrator' means an officer appointed as such to perform the functions under the Capital of Punjab (Development and Regulation) Act, 1952.
- (ii) 'Commencement date' means the date of signing of this Agreement.
- (iii) 'Estate Officer' means an officer appointed as such to perform the functions under the Capital of Punjab (Development and Regulation) Act, 1952.
- (iv) 'Gross Revenues' means the total receipts received or receivable on accrual basis from the licensed land in respect of and in relation to the utilisation of the licensed land and any other amount received in relation to the Project along with all applicable taxes collected in respect of the same. For avoidance of doubt any fees collected from the users of the Project towards operation and maintenance of the Project, shall be included in the Gross Revenues.
- (v) 'License' means the permission granted by the Chandigarh Administration in Education Department to the Organisation (Licensee) to establish, manage and run the Licensee Institute for a period of 33 years as per the terms of this agreement.
- (vi) 'Licensee' means the organisation managing/using the premises/institute building.
- (vii) 'Licensor' means the Chandigarh Administration in Education Department.
- (viii) 'License Fee' means the annual amount payable by the licensee in lieu of use and occupation of the land as per the terms of this Agreement.

- (ix) 'Organisation' means the entity with which the Agreement is being signed, and which has been selected as per due procedure and which would be the Licensee after signing the Agreement.
- (x) 'Project' means the construction, operation and maintenance of the Educational Institute for the approved courses, as per the terms of this Agreement.

#### TERMS AND CONDITIONS OF LICENSE:

2. **Possession** - Within three (3) months from the commencement date of this agreement the Licensor shall cause the handing over of the possession of the site free from all encumbrances and occupation to the licensee from the Estate Officer.

3. **Period** - The period of license shall be 33 years initially, which may be extended by 33 years at a time by mutual agreement between the Licensor and the Licensee, subject to the Licensee's right of first refusal and the Licensor's appraisal of the performance of the Institute as an institution of excellence and its will and ability to meet the obligations of social commitment as stipulated in this Agreement.

4. **Building Plans** - The licensee shall submit to the Chief Administrator, building plans of project within three (3) months from the date of delivery of possession. The Chief Administrator shall examine and approve the building plans, with or without any modifications or changes, within a period of three (3) months thereafter.

5. **Completion** - The licensee shall complete the building in all respects in accordance with duly approved plans make the project functional within 24 months from the date of sanction of the building plans.

6. **Extension Fee** - In case the licensee fails to complete the construction of project within two years from the date of approval of the building plans, this period can be suitably extended by the Chief Administrator on the payment of such extension fee as determined by the Chandigarh Administration. Provided that no extension beyond a period of one year thereafter shall be granted.

7. **Annual License Fee and Revenue Share** - The licensee shall pay annual license fee equal to Rs. 1.25 lacs per month per acre with effect from the commencement date and revenue sharing @ (3%) three percent of gross revenue receipt during a financial year. The Revenue sharing shall be payable from the date of completion but not later than 24 months from the date of sanction of building plans. The annual license fee and other charges shall be paid by the licensee through demand draft/cash order/pay order through the Licensor in favour of the Estate Officer and payable at Chandigarh by the month of April in advance:

Provided that in case possession is not delivered by the Estate Officer to the Licensee within 3 months as stipulated in clause-2 above, for any reason, the Licensee will be entitled to the benefit of deduction in the amount payable by it under this clause calculated proportionately to the period of delay in delivery of possession beyond 3 months, which amount of deduction thus calculated shall be adjusted against the next subsequent payment due to be made by the Licensee.

8. That the license fee shall be charged on the basis of exact measurement of the site/plot being the size of the plot. The actual measurement may vary from plot/site to plot/site. The licence fee so determined by the Estate Office in terms of License Agreement shall be deposited by the Licensee through the Licensor with the Estate Officer and the Estate Officer shall maintain its record.

**9. Penalty.** - If the Licensee fails to pay license fee, revenue share and other charges by the month of April as required under clause 7 above, then interest @ 10% per annum will be charged. In case the payment is not made by the month of June, penalty @ 10% per annum in addition to interest shall be charged.

**10. Cancellation of License.** - If the Licensee fails to pay annual license fee and/or revenue share and/or other charges and/or interest and/or penalty, the Licensor may after giving reasonable opportunity, cancel the license and take over possession of the project.

**11. Maintenance/Development Charges.** - The Licensee shall be liable to pay charges for maintenance, development of common infrastructure and amenities as determined by the Chief Administrator from time to time.

**12. Taxes/Fees.** - The Licensee shall be liable to pay any or all such fee(s), cesses, tax(es) etc. as may be levied by any Government or Authority which is competent to levy such taxes/fee, cesses, etc.

**13. Applicability of Laws and Directions.** - The Licensee shall abide by the prevailing laws and any directions issued by the Chief Administrator or the Estate Officer from time to time.

**14. Affiliation/Recognition/Approval, etc.** - The Education City being a project envisioned by the Chandigarh Administration, and proposed to be set up on land belonging to the Administration on the basis of the Public-Private Partnership model, the Licensor will fully back the Licensee in its efforts to get the requisite recognition/affiliation/approval etc. from the concerned apex statutory bodies such as the UGC, AICTE, etc. so that the Institute(s) can be established and made operational at the earliest.

**15. Access to Licensed Land.-**

(a) In consideration of the Licensee agreeing to perform and discharge its obligations as set forth in this Agreement, the Licensor hereby agrees to grant to the Licensee, the exclusive right to enter upon, occupy and use the Licensed Land for the purpose of implementing the Project in accordance with this Agreement.

(b) The Licensee shall at its costs, charges and expenses, be obligated to make such development and improvements in the Licensed Land as may be necessary or appropriate for development of the Project with the prior approval of Chief Administrator.

**16. Use of Licensed Land.** - The Licensee shall not without the prior consent or approval of the Chief Administrator use the Licensed Land for any purpose other than for the purposes of developing the Project as hereby permitted and for purposes incidental thereto as permitted under this Agreement or as may otherwise be approved in writing by the Chief Administrator.

**17. Acceptance of the Licensed Land.** - The licensee hereby agrees to accept the permission to access and use the Licensed Land on 'as is where is' basis.

**18. Peaceful Occupation.** - The Licensor warrants that the Licensee shall, subject to complying with the terms and conditions of this Agreement, remain in peaceful occupation and enjoyment of the Licensed Land for the License period of 33 years as per the terms of this Agreement.

**19. Termination of License.-**

(a) In case the licensee intends to terminate the license of the site before the expiry of the license period, the licensee shall have to give 90 days clear notice under registered cover to the Licensed in writing. Similarly,

the Licensor shall be competent to terminate the license of the site by giving similar advance notice. The time period given to vacate the site can be extended by Chief Administrator at his sole discretion, keeping in view the running academic session.

- (b) In the event of the licensee/licensor intending to terminate the license, the licensee shall be at liberty to remove the articles and the super structure on the site within a further period of 60 days and hand over the vacant possession of the site to the Estate Officer free of all encumbrances.
- (c) In case the licensee does not intend to remove the super structure, he can claim depreciated value of the same, which the Chandigarh Administration shall consider and pay either in lump sum to the licensee or in instalments not exceeding three, without any interest subject to availability of funds.
- (d) The depreciated value of the super structure shall be furnished by the licensee to the licensor with details, which shall be further verified and assessed by the Engineering Department of the Chandigarh Administration. In case of any difference of opinion, the matter shall be decided by the Finance Secretary and the decision of the Finance Secretary, Chandigarh Administration shall be final and binding on the parties.
- (e) The licensed site and building thereon shall further be subject to the provisions of Capital of Punjab (Development and Regulation) Act, 1952 and rules framed thereunder.

**20. Submission of Accounts.** - The Licensee shall provide un-audited accounts to the Licensor before the expiry of four weeks immediately following September and March each year after the Agreement Date. The revenue sharing as contemplated under Clause 7 shall be calculated on the basis of such un-audited accounts. After the audit of the Licensee's accounts on an annual basis, discrepancies if any between the un-audited and audited figures shall be adjusted.

**21. Monitoring Committee.** - There shall be a Monitoring Committee appointed by the Administrator, U. T. Chandigarh, to ensure that the organisation comes out as mandated by this agreement and also to monitor the functioning of the project from time to time and issue such directives as required from time to time. The licensee shall be bound to implement the directions issued by the Monitoring Committee. The Monitoring Committee shall be headed by the Education Secretary and shall consist of Finance Secretary, other officials of Chandigarh Administration, independent and eminent experts from relevant fields and also representatives of educational institutions which shall come up in the Education City. An officer of the Administration shall be its Member Secretary. A proper record of the proceedings/decisions or directions of the Monitoring Committee shall be maintained.

**22. Education for the Disadvantaged.** - Chandigarh Administration plans to provide support, assistance and low-cost, high quality education to those who cannot afford to pay normal fees. The Education City would be based on the model that the economically weaker sections and the disadvantaged would also be provided with world-class education at affordable rates. Equity will be translated/realised inter alia in the form of scholarships for committed, intelligent and poor youth. Each institute in the Education City will provide fee subsidy and other benefits as per clause 20 to at least 15% of the students based on economic criteria.

**23. Social Commitment.** - The social commitment of a Licensee must be commensurate with the aims and objects of the Administration in setting up the Education City. Without prejudice to the generality of such commitment and the power of the Monitoring Committee to issue any directions to the Licensee in aid and fulfilment thereof, the Licensee shall meet such social commitment in particular through the following measures:—

- (i) Reservation of at least fifteen percent (15%) of the seats for students from economically weaker sections. The economically weaker sections shall be determined on the basis of criteria determined by the Chandigarh Administration from time to time,
- (ii) Creating special facilities for physically handicapped students.
- (iii) Instituting scholarships for outstanding students including those from economically weaker sections.

**24. Performance Review.** - The Monitoring Committee would review the working of the Institute at least once a year and the findings of such a review, factually sustained and duly reasoned, shall be communicated to the Institute for remedial measures, if any.

**25. Responsibility.** - The Chandigarh Administration shall not be responsible in any manner whatsoever for any loss caused to the property of the Licensee by fire, floods, explosion, war, internal rebellion or unrest, strike or agitation, embargo by civil or military authorities, any act of God, act of omission of carriers or any other such or similar cause(s).

**26. Necessary Approvals.** - The Licensee shall obtain all necessary approvals from the Ministry of Commerce, Ministry of Finance and Department of Industrial Development (if foreign funds are invested in the Project), Ministry of Environment and Forests, Government of India and other statutory authorities, and such other approvals and permits as may be needed for the construction/operation of the Project.

**27. Violations.** - The Licensee shall not carry out any activity that may be considered detrimental of the interests of the Licensor and shall make their premises available for inspection by any authority empowered by the Licensor or the Government of India/State Government or any of its agencies. Any gross or fundamental violation by the Licensee shall render this Agreement liable for termination. However, a notice of 30 days shall be given to the Licensee for remedying the breach. Depending on the nature and seriousness of breach/violation, the Licensee may apply for extension of time for remedying such violation, which shall be examined on merits by the Licensor. Failure to remedy the breach/violation, within such extended period, shall render this Agreement liable for termination, without any claim on the part of the licensee or other authorised agents.

**28. No Hindrances.** - The Licensee shall not create any hindrance, disturbance, obstruction or impediment in or in respect of any other development activity that the Licensor may undertake in and around the Licensed Land during the Development Period and thereafter.

**29. Documentation.** - Unless otherwise expressly provided in this Agreement, any documentation required to be provided or furnished by the Licensee to the Licensor and/or the external auditor shall be provided free of cost and in three copies and if the Licensor and/or the external auditor are required to return any such documentation with their comments and/or approval, they shall be entitled to retain two copies thereof.

**30. Ownership.** - The ownership of the land shall vest wholly in the Chandigarh Administration for all intents and purposes. The Licensee shall hand

over vacant peaceful physical possession of the site alongwith immovable infrastructure to the Chandigarh Administration through Estate Officer after the completion of the license period or cancellation/termination of the license, as the case may be.

31. **No Encumbrances.** - The licensee shall not be entitled to create any encumbrances whatsoever as security of any kind in respect of the Project in favour of any other Person for securing any repayment obligation or otherwise of the Licensee.

32. **Gross Revenues.** - The Licensee shall ensure that the Gross Revenues shall be accounted for and reflected in the books of account of the Licensee and the same shall not be appropriated, adjusted, reflected in the books of account of any other person whatsoever.

33. **Misuse.** - The site shall be used for the designated purpose and related activities and not for any other activity/purpose. In case of breach of rules/terms and conditions the site shall be resumed by the Chandigarh Administration.

34. **Disputes.** - Any dispute arising between the licensee and the Chandigarh Administration shall be subject to the jurisdiction of Courts of Union Territory, Chandigarh.

In witness whereof both the parties here to have put their signature/seal on this .....day of.....2009.

Secretary Education,  
Chandigarh Administration,  
(For and on behalf of the President of India)

Witnesses:  
Name and Address  
1.....  
2.....

Signature.....  
Signature.....  
Authorised Signatory  
(For and on behalf of the Licensee)

Witnesses:  
Name and Address  
1.....  
2.....

Signature.....  
Signature.....

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